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U.S. SUPREME COURT OF THE

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IN THE
SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1945.

No. 151.

THE SEVEN UP COMPANY,
Petitioner,

v.

CHEER UP SALES COMPANY OF ST. LOUIS, MISSOURI,
a Corporation, AMERICAN SODA WATER COMPANY,
a Corporation, and ORANGE SMILE SIRUP
COMPANY, a Corporation,
Respondents.

PETITIONER'S REPLY BRIEF.

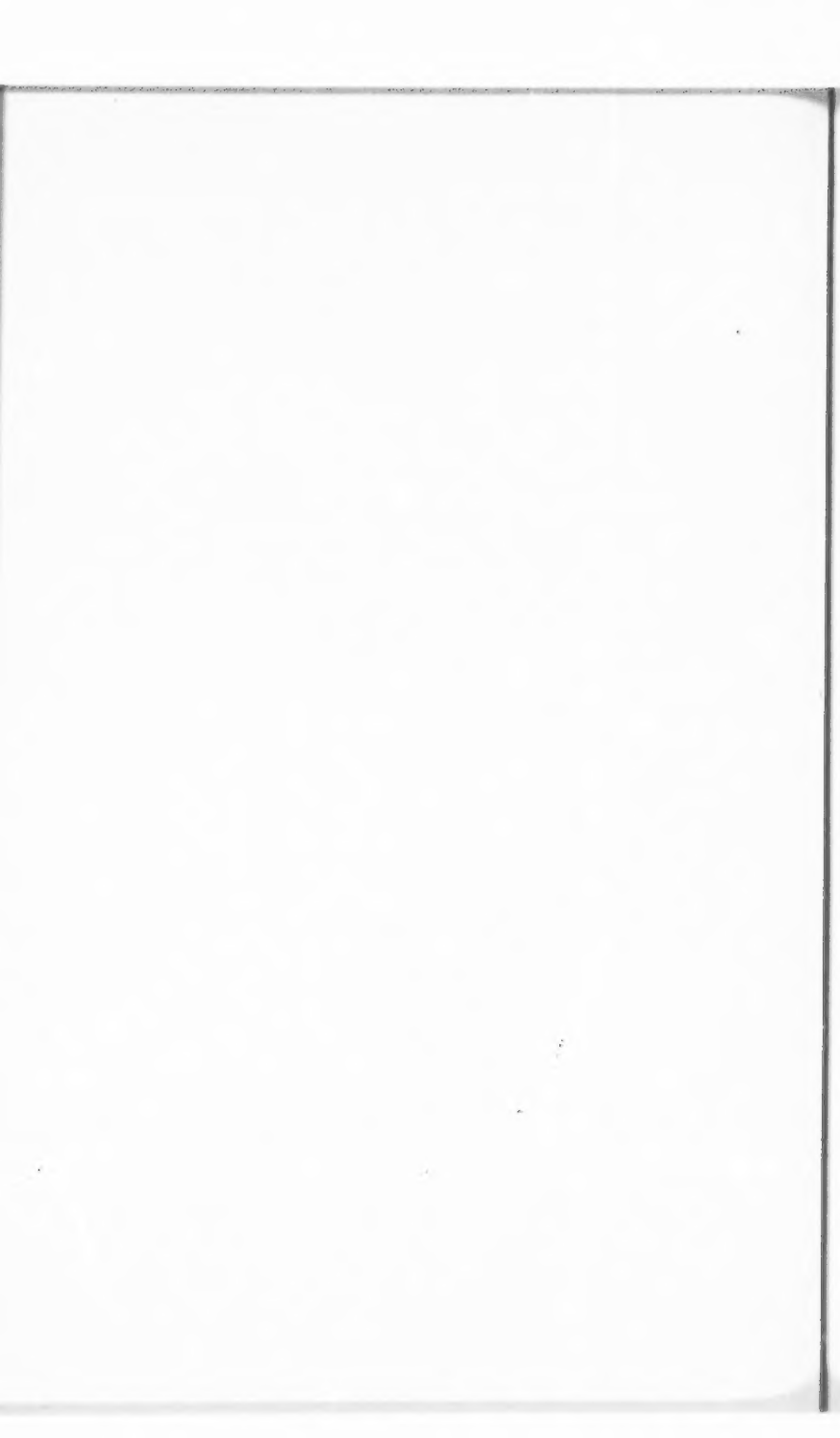
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Foreword.

This case involves two distinct questions: A—the confusing similarity of trade-marks under the federal trade-mark statutes and, B—unfair competition in the general appearance of two competing packages under the common law as announced and interpreted by the courts of Missouri. The grounds for the petition are that a question of federal law of public importance is involved which

should be settled by this court, that the said federal question has been decided in a way probably in conflict with an applicable decision of this court, and that the question involving unfair competition has been decided in a way in conflict with an applicable local decision. Respondents' brief apparently fails to distinguish between the two questions involved, and the separate sources of law by which they are governed. Respondents do not challenge petitioner's statement of the case, nor do they challenge petitioner's statement of the questions presented, apparently conceding that petitioner's statement of the questions is accurate and complete.

Reasons Relied on for Granting the Writ.

I.

As to the importance of the question of federal law involved, respondents state that "the point has been ruled on repeatedly by this court and settled by the uniformity of the decisions," citing six Supreme Court decisions, but in no one of which is the question involved. In no one of these cited cases was there involved the question of infringement of a registered mark comprising two arbitrary words or parts.

A. On the statement that the decision is in conflict with applicable decisions of the Court of Customs and Patent Appeals, petitioner had cited (Petitioner's B., pp. 9, 10) six cases which seem to be perfectly in point. Respondents mention three of these cases and attempt to distinguish them by differences in details and ancillary facts, while failing to mention the other three. This course of decisions by the Court of Customs and Patent Appeals in the six cases shows a clear conflict. Respondents' brief, page 6, counters with the mention of a single case involving *Vitamiles* and *Vitabuild*, although it is clearly apparent

that the case cited is not applicable. The common part of the mark, *Vita* was descriptive and not arbitrary. The assertion in petitioner's brief, page 9, that the Court of Customs and Patent Appeals has followed a course of decision without exception for a period of at least fifteen years is therefore not successfully challenged. That court has uniformly followed a conception that it is not permissible in the case of a registered mark comprised of two arbitrary words or parts to adopt and use on directly competitive goods another two-word mark, reproducing one of such arbitrary words in conjunction with a substitute for the other one, in a manner and form so that in the two marks the reproduced word occupies the same relative position.

B. Respondents do not challenge petitioner's statement that the particular facts here presented exemplify a broad pattern of imitation, nor that the use of a mark comprising two words is extensive.

C. As to the effect of the decision on the protected scope of American trade-marks used in foreign commerce, respondents wholly agree with petitioner. They say (page 12): "It is therefore clear that the trade-mark rulings of the courts of the home nation of the product will be recognized in the other nation's signatories to the convention."

That is to say, the decision will not only have the effect as a precedent in this country, but under trade-mark treaties will entail a like effect in foreign countries; further such effect will obtain not only in the instance of 7 *Up*, but also in the case of every other American mark comprised of two arbitrary words. In short, such two-word marks of foreign origin are protected at home and abroad, while such American marks are open to be pirated both at home and abroad. Thus in respect to the protection internationally accorded marks of this character, the law of the

decision reduces the United States to the anomalous status of the least favored nation.

This resulting effect of the decision is emphasized by the long list of cases cited by respondents (pp. 14 to 20). For, the industry of counsel has not sufficed to adduce a single case involving a mark comprised of two arbitrary words which was held to be not infringed by a similar mark in which was reproduced one of such arbitrary words. In each case cited by respondents the reproduced word was descriptive, geographical or otherwise *publici juris*. It is not claimed that *Up* applied to a soft drink is other than arbitrary and fanciful.

The undisputed adverse and discriminating effect of the decision upon American marks in foreign commerce, without more, should induce the grant of the writ.

D. Respondents do not challenge or otherwise comment upon the importance of the decision to petitioner, the common practice of petitioner's competitors in using the same methods of infringement, and the interest to petitioner's bottlers, over 400 in number, whose businesses are independently owned and operated but who are dependent upon the integrity of petitioner's trade-mark as the foundation of their trade.

E. Respondents' brief does not touch upon the interests of the public in being free from astute deception in its casual purchases of inexpensive articles for immediate consumption.

II.

On the conflict with *Saxlehner v. Eisner & Mendelson Co.*, 179 U. S. 19, 33, respondents confuse the issues by mixing one separate question decided by the court in that case, and relied upon here, with several other issues in that case. The court there decided independently of all other questions that *Hunyadi Matyas* was an infringe-

ment of *Hunyadi Janos*. That set of facts is certainly parallel with those in the question whether *Cheer Up* is an infringement of *7 Up* or *Seven Up*.

III.

On the ground that a question of local law, that of unfair competition, has been decided in a way in conflict with *McCann v. Anthony*, 21 Mo. App. 83, respondents assert, page 2, that "no local law is involved." Such a statement obviously is erroneous. Respondents make no contention that *McCann v. Anthony*, *supra*, has been overruled or modified. An examination of that case will disclose that the two cases are parallel notwithstanding respondents' assertion that it has no application here. They make that assertion "only because the trade name of the defendant there was not involved." That fact has no bearing on the applicability of the case which was directed to the general appearance of the package and the specific holding that a competitor's package similar in general appearance will not be excused merely because the general combination can be broken by changing the background color.

The three cases cited by respondents, page 3, as supporting respondents' position are not in point in any respect. None of them involved unfair competition based upon general appearance of packages.

Comments on Respondents' Statements.

Respondents have made a misstatement, page 4, where it is said that the District Court and the Court of Appeals "have held that the dominant characteristic of petitioner's label is the numeral '7' and 'Cheer' the dominant word in respondents' trade name." There is no such holding in either the Findings of Fact of the District Court, or the decision of the Court of Appeals.

Respondents attempt (page 9) to dispute petitioner's statement that there is not a single finding of fact of the trial court, nor a single conclusion of the Circuit Court of Appeals, which is based on conflicting testimony. They refer to controversies concerning ancillary facts, but it is not shown that these controversies relate directly or indirectly to any finding or conclusion of the District Court or the Circuit Court of Appeals; nor do they show that such a controversy arose because of conflicting testimony or that any findings were resolved between such testimony.

On the question of unfair competition, to assert that the two packages are not deceptively similar in general appearance would be to close the eyes to an obvious fact and is not attempted by respondents. They (page 10) try to circumvent this fact, as did the District Court and the Circuit Court of Appeals, by first withdrawing the green bottle from the combination and then asserting that what is left would not be deceptively similar. That is precisely what cannot be done under the applicable decision *McCann v. Anthony*, 21 Mo. App. 83.

New Matter.

The conflict with the Court of Customs and Patent Appeals and the Patent Office tribunals, is shown by the opinion in Opposition proceeding, *The Seven Up Company v. Wagner*, appearing in the appendix hereto. While that decision was rendered June 15, 1945, a few days before the filing of the present Petition, through either an error in the Patent Office or a failure in the mails, The Seven Up Company never received it in usual course but first learned of it by fortuitous circumstances on July 11, 1945. Hence the opinion or its existence was unknown to this Petitioner when it filed its petition in this court.

The opinion holds that *Thumbs Up* is deceptively similar to *Seven Up* and *7 Up*. It was rendered in the face

of the decision of the Circuit Court of Appeals for the Eighth Circuit, which was diligently presented through brief and oral argument by the applicant Wagner, and upon a concession by Opposer, The Seven Up Company, that the case involving *Thumbs Up* could not be distinguished from the one involving *Cheer Up*. The refusal of the Patent Office to follow the decision of the Court of Appeals in the present case is shown by an omission of any mention of it.

On the other hand the Patent Office relies upon *Saxlehner v. Eisner & Mendelson Co.*, 179 U. S. 19, and confirms petitioner's suggestion that the opinion of the Circuit Court of Appeals is in conflict with that applicable decision.

The Patent Office decision demonstrates the public importance of the federal question (A) presented in the petition. The settlement of a direct conflict between the courts and the administrative tribunals on the same recurring question is essential.

Respectfully submitted,

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